

Message Text

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TO AMEMBASSY BELGRADE

C O N F I D E N T I A L STATE 008865

FROM ANDREWS FOR WORTZEL

E.O. 11652: GDS

TAGS: OGEN

SUBJECT: OFFICIAL/INFORMAL

1. WE ARE STILL SOMEWHAT UNCOMFORTABLE OVER PLANS FOR THE GLIGOROV VISIT, AS YOU MAY HAVE NOTED FROM OUR LATEST CABLE. THE PROBLEMS ARE SEVERAL: A PRESIDENTIAL MEETING MAY NOT BE POSSIBLE EVEN WITH A DELAYED ARRIVAL; THE FUNDING HAS NOT BEEN NAILED DOWN; THE AIR FORCE PLANE HAS NOT BEEN CONFIRMED. WE ARE REASONABLY CONFIDENT THAT THE FUNDING AND THE PLANE CAN BE WORKED OUT, BUT WE ARE NOT AT ALL SURE ABOUT THE CALL ON THE PRESIDENT. THE STRONG FEELING HERE IS THAT THE PRESIDENT SERIOUSLY INTENDS TO CUT DOWN HIS DIRECT INVOLVEMENT WITH FOREIGN AFFAIRS GENERALLY, AND THIS IS PLAYING HAVOC WITH ALL APPOINTMENTS. WE MAY SEEK A LONGER, MORE SUBSTANTIVE MEETING WITH MONDALE, BUT ARE NOT CERTAIN THIS WILL MEET THE YUGOSLAV REQUIREMENTS.

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2. KRSKO. WISH TO ALERT YOU TO LATEST DEVELOPMENTS IN VIENNA. YESTERDAY (JAN- 11) NOSENZO RECEIVED CALL FROM US MISSION TO IAEA SUGGESTING THAT YUGOSLAVIA MIGHT BE ATTEMPTING TO BLOCK (OR AT LEAST CAUSE PROBLEMS FOR) OUR PROPOSAL TO AMEND COOPERATION AGREEMENT. THIS MAY HAVE RESULTED FROM THE MANNER IN WHICH PROPOSAL WAS PRESENTED TO IAEA SECRETARIAT: A US INITIATIVE IN THE INTERESTS OF

YUGOSLAVIA. IF TRUE, THIS OBVIOUSLY WAS A BLUNDER SINCE WE TOLD KLJUN AMENDMENT OF COOPERATION AGREEMENT BEING CARRIED OUT FOR BASIC US POLICY REASONS, AND IT MERELY OFFERS ADDITIONAL OPPORTUNITY TO RESOLVE KRSKO PROBLEM. YUGOSLAVS MAY BE CONCERNED THAT OTHER COUNTRIES (MEXICO, MALAYSIA, ETC.) WILL CONCLUDE THAT GOY IN COLLABORATION WITH US ON THIS MOVE. (WE HAVE EXPLAINED TO NOSENZO THE MOST WE CAN EXPECT IS BENIGN NEGLECT; THERE IS NO WAY YUGOSLAVS WILL ACTIVELY SUPPORT OUR PROPOSAL.) YUGOSLAVS MAY ALSO HAVE REALIZED THAT THE LINKAGE BETWEEN THE KRSKO SUPPLY AGREEMENT AND OUR COOPERATION AGREEMENT "AS IT MAY BE AMENDED" PROVIDES US WITH FRIGHTENING LEVERAGE OVER CONDITIONS FOR USE OF U.S. FUEL AND THUS MAY ARGUE TO IAEA THAT THEY SHOULD HAVE SAY IN ANY PROPOSAL TO AMEND. WE WILL TRY TO KEEP YOU UP TO DATE.

3. ZAGREB FALL FAIR. ON JANUARY 9 SAM MET WITH LINDSTROM, CHUCK CLARKE OF USIA AND JIM DOYLE (COMMERCE/ITA/BED/ DEVELOPED MARKETS) TO GO OVER STATUS OF COMMERCE'S ROLE IN ZFF. MEETING BASICALLY CONFIRMED THE UNDERSTANDING WHICH HAD BEEN SET OUT IN THE DECEMBER 20 MEMO TO LINDSTROM (COPY SENT EVANS) THAT COMMERCE WOULD SUPPLY VTRS, SEND INDUSTRY EXPERT, ASSIST IN PREPARATION FINANCIAL PACKAGE AND PROVIDE LIMITED BACK-STOPPING FOR POST'S RECRUITMENT. ON THE QUESTION OF OVER-ALL EXHIBIT DESIGN AND A MANAGER, CONFIDENTIAL

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HOWEVER, COMMERCE WAS ALL TOO WILLING TO HAVE USIA SEND ITS OWN MANAGER (NIGLIS) AND "TO AVOID DUPLICATION". DESPITE USIA'S APPARENT PREFERENCE TO SUPPLY MANAGER AND SUPERVISE LAY-OUT, SAM REFUSED TO AGREE AND IS ARGUING THAT COMMERCE SHOULD LIVE UP TO ITS COMMITMENT ON THIS SCORE. WE FEEL THAT THIS IS IMPORTANT FOR TWO REASONS: COMMERCE MANAGER SHOULD BE ABLE TO DO MORE TO STRESS COMMERCIAL ASPECTS WE ARE TRYING TO PLAY UP; AND IT IS IMPORTANT PRECEDENT FOR FUTURE YEARS. NEVERTHELESS, WE'D LIKE ZAGREB'S AND EMBASSY'S VIEWS (ASAP) ON THIS SO WE KNOW WHETHER TO KEEP PUSHING. IF YOU AGREE (ON DESIRABILITY OF COMMERCE MANAGER EVEN IF THIS MEANS NO USIA DESIGN SUPPORT AT POST) PLEASE SEND OPEN CHANNEL MESSAGE SUPPORTING THIS. IF NOT, CALL US OFF IN O-I.

4. FOR DAVID EVANS FROM PETER SWIERS: STEPHANIE HAS A BUYER FOR YOUR CAR BUT HAS BEEN UNABLE TO FIND THE TITLE. PLEASE LET HER OR PETER KNOW WHERE TO LOOK EITHER BY CABLE IN THIS CHANNEL OR BY PHONE.

5. PERSONAL FOR GERBER. JOHN RATIGAN PLANS TO VISIT YOU IN BELGRADE JANUARY 28-29 AND WILL CALL YOU FROM ATHENS.

6. EXIM. SEPTTEL FROM ALBRIGHT REPORTS (VERY BELATEDLY) ON

BELOVSKI-MOORE MEETING OF DECEMBER 16. RAY HAS ALSO SENT
AMBASSADOR LETTER DATED JANUARY 10, ENCLOSING FULL MEMCON,
INDICATING EXIM EXPECTS TO HAVE DRAFT MEMORANDUM OF UNDER-
STANDING READY BY FIRST WEEK OF FEBRUARY. HE ALSO ASKS IN
LETTER IF EMBASSY HAS "LOBBIED" IN BELGRADE AS RAY AND HE
DISCUSSED IN WASHINGTON. CHRISTOPHER

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